

SUMMARY OF H.B. 4004

W.Va. Code §33-41 (H.B. 4004) establishes a Fraud Unit in the Commissioner's office.

- Allows a fraud warning to be placed on certain forms so the public will be aware that certain activities may constitute insurance fraud.
- Authorizes the Commissioner's Fraud Unit to investigate suspected fraud.
- Provides that the Prosecuting Attorney with jurisdiction will prosecute the cases, but if unable he/she will petition the Circuit Court for appointment of a special prosecutor from the Prosecuting Attorney's Institute.
- Provides that the Commissioner's attorneys may assist as special prosecutors if assistance is sought by the prosecutor.
- Provides that persons/entities engaged in insurance business must report suspected insurance fraud.
- Provides immunity from civil liability for reporting suspected insurance fraud.
- Provides that documents/information obtained in fraud investigations are confidential and not subject to FOIA.
- Authorizes the Fraud Unit to investigate suspected violations of Chapter 33 relating to fraud and violations of Chapter 61 of the WV Code as they relate to insurance fraud.
- Creates the crime of fraudulent insurance claim:
 - If the benefit sought exceeds \$1,000, the crime is a felony and subject to a fine of not more than \$10,000 and/or not less than one nor more than ten years imprisonment.
 - If the benefit sought is less than \$1,000, the crime is a misdemeanor and subject to a fine of no more than \$2,500 and no more than one year imprisonment.

- Permits court ordered restitution under Chapter 61 of the WV Code as applicable from those convicted.
- Provides that the court may award the Fraud Unit the cost of its investigation.
- Allows the Commissioner to assess civil penalties in addition to suspension/revocation of licenses.